

[REDACTED]
[REDACTED]
[REDACTED]
OCT 17 1990

[REDACTED]
CERTIFIED MAIL

Dear Applicant:

We have considered your application for recognition of exemption from federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code of 1986.

The information submitted shows that you were incorporated under the laws of the State of [REDACTED] on [REDACTED]. Your stated purposes at the time of incorporation were (a) to educate, support, advance, undertake, assist, promote, aid, inspire, initiate, and encourage the general public to obtain a greater current awareness of local governmental proceedings and processes, to educate the public of such proceedings and processes, to raise funds and/or to assist and encourage the general public to protect the environment; (b) To engage in other fundraising, cultural, historic, civic, or educational purposes or activities consistent with the foregoing objectives.

Subsequently, your articles were amended and you stated your purposes to be: (a) to engage exclusively in charitable or educational activities or activities consistent with the following objectives: (1) to educate, undertake, assist, promote, aid, inspire, initiate, and encourage the general public to obtain a greater level of awareness, and to raise funds; (b) to engage in educational activities, including, for such purposes, the making of distributions to organizations under section 501(c)(3) of the Internal Revenue Code (or corresponding sections of any future federal tax code.)

In your Bylaws you stated that, "The purposes of the [REDACTED] are to foster community awareness regarding local current events and the environment and to encourage and facilitate community participation in the decision making processes of [REDACTED]."

Your application stated the following: "The purposes of the [REDACTED] are to disseminate information regarding civic types of activities as well as current events in [REDACTED]. We are also interested, as a non-partisan group, in encouraging the residents of [REDACTED] to participate in the decision making processes here in town."

Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
Summary	[REDACTED]	[REDACTED]	[REDACTED]				
Date	9-27-90	9-28-90	10/17/90				

[REDACTED]

Your sole activity is the publishing of a newsletter entitled "[REDACTED]"

You are a membership organization with membership opened to the general public.

Your income is derived from membership fees and contributions. Your expenditures are for printing, photocopying, postage fees, typewriter (computer) printer ribbons and distributing the newsletter.

Section 501(c)(3) of the Code provides for the exemption from federal income tax for organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(3)-1(c)(1) of the Regulations states that an organization is operated exclusively for the purposes set out in section 501(c)(3) of the Code only if substantially all of its activities are in furtherance of these purposes.

The Supreme Court has held that the presence of a single non-charitable purpose or activity, if substantial in nature, will preclude exemption under section 501(c)(3) of the Code regardless of the number or importance of truly charitable purposes or activities. Better Business Bureau of Washington, D.C. v. United States, 325 U.S. 279 (1945), 1945.

Based on the information submitted, we cannot conclude that you are organized and operated exclusively for exempt purposes as described in section 501(c)(3) of the Code.

The activities engaged in by your organization thus far are those which promote social welfare and bring about civic betterment. As such, they do not come within the purview of section 501(c)(3).

Accordingly, you are not exempt from federal income tax under section 501(c)(3) and contributions to you are not deductible under section 170 of the Code. You are required to file federal income tax returns.

If you do not agree with our determination, you may request consideration of this matter by the Office of Regional Director of Appeals. To do this you should file a written appeal as explained in the enclosed Publication 892. Your appeal should give the facts, law, and any other information to support your position. If you want a hearing, please request it when you file your appeal and you will be contacted to arrange a date. The hearing may be held at the regional office, or, if you request, at any mutually convenient district office. If you will be represented by someone who is not one of your principal officers, that person will need to file a power of attorney or tax information authorization with us.

[REDACTED]

If you do not appeal this determination within 30 days from the date of this letter, as explained in Publication 892, this letter will become our final determination on this matter. Further, if you do not appeal this determination within the time provided, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Code provides, in part, that, "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

Sincerely yours,

[REDACTED]
District Director

Enclosure: Publication 892

cc: State Attorney General [REDACTED]